Council/Agency Meeting Held:				
Deferred/Continued to:				
☐ Approved ☐ Conditionally	☐ Conditionally Approved ☐		City Clerk's Signature	
Council Meeting Date:	5/7/2	2007	Department ID Number:	CS07-012

CITY OF HUNTINGTON BEACH REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO:

HONORABLE MAYOR AND CITY COUNCIL MEMBERS

SUBMITTED BY:

PENELOPE CULBRETH-GRAFT, DPA, CITY ADMINISTRATOR

PREPARED BY:

JIM B. ENGLE, DIRECTOR, COMMUNITY SERVICES

SUBJECT:

APPROVE PERMANENT VISITOR-SERVING BUILDINGS ON

MUNICIPAL PIER

Statement of Issue, Funding Source, Recommended Action, Alternative Action(s), Analysis, Environmental Status, Attachment(s)

Statement of Issue: There are currently three modular units on the municipal pier. Funds have been budgeted to construct two permanent concession buildings on the pier. The Community Services Commission has reviewed and moved to recommend the staff recommendations to City Council for approval.

Funding Source: Redevelopment funds have been budgeted in the FY 2006/2007 Capital Improvements Program budget, Fund 305. This was included in the list of Redevelopment Agency-funded projects approved by City Council, using one-time Redevelopment revenue from the Hyatt residential project.

Recommended Actions: Motion to:

- 1. Approve construction of two permanent visitor-serving buildings on the Municipal Pier, in accordance with the existing Coastal Development Permit (CDP):
- 2. Proceed with a request for a Coastal Development Permit for a third permanent building:
- 3. Recommend the following types of concessions:
 - a. Bait and tackle shop
 - b. Souvenir store
 - c. Kite store: and
- 4. Recommend that souvenir store and kite store share space in one building on an interim basis until third building is constructed.

Alternative Action(s):

- 1. Consider other uses for buildings;
- 2. Do not move forward with a CDP for a third building.

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Analysis: In 2002, the city completed pier building improvements, which included an observation tower for Marine Safety (Tower Zero) and the public restroom building. Ruby's Diner was constructed and opened in 1996. There are currently three modular, temporary units on the pier: a bait and tackle shop (Let's Go Fishin'), a souvenir store (Surf City Store), and a kite store (Kite Connection).

Each of the three temporary structures is 10-foot by 32-foot portable, modular unit located on the pier platforms, which stand beyond the width of the main thoroughfare of the pier. On the first platform, closest to the shoreline, is Kite Connection on the north side and Surf City Store on the south side. The second platform includes Tower Zero on the south and a large utility equipment box on the north. Lifeguard vehicles are also parked in this area while Tower Zero is staffed. The third platform houses a public restroom building on the south and Let's Go Fishin' on the north. Ruby's Diner is located at the end of the pier (Attachment 1).

Let's Go Fishin' is a bait and tackle concession. The Kite Connection sells several Huntington Beach-themed souvenirs as well as a variety of kites and banners. The Surf City Store sells a variety of products with the trademark words "Surf City, Huntington Beach." Each concession operates under a temporary special permit and pays a nominal monthly fee. The concessionaires paid for all costs associated with placing the modular units on the pier including anchoring, access ramps and permit fees. The concessionaires also pay their own utilities and lease their own modular units.

Prior to being placed on the pier, the Kite Connection was operating out of Sunny's beach concession, which was located on the sand immediately north of the pier. The Kite Connection vacated Sunny's when the city was moving forward with the Pier Plaza project in the mid-1990s. The city placed the Kite Connection at its current site because of the popularity of the service and the products it provided while part of Sunny's.

The Surf City Store has been at several locations throughout the city, including the downtown area off 5th Street and, for a brief period, on Hamilton Avenue near the intersection of Newland Street. The Surf City Store was originally placed on the pier opposite the Let's Go Fishin' concession in 1998. At the time the city began construction for the permanent public restroom and Tower Zero, the Surf City Store was moved to its current location, which has been very successful due to its proximity to Pier Plaza. The Surf City Store is officially a partner with the city and helps the city retain its copyright on the words "Surf City, Huntington Beach." The contractual relationship between the city and Surf City Store has existed since 1993.

Since the 1930s, there have been several business owners and different structures located on the pier. However, the business uses have remained relatively consistent as food concessions or fishing related sales such as bait and tackle or sport fishing services. Neptune's Locker, a former concession, sold beer and wine and operated on the north side of the first platform of the pier for several years. After the pier was damaged by winter storms in the late 1980s, the concession operations consisted of The End Café where Ruby's

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Diner is currently located, a bait and tackle concession, Neptune's Locker, and Fisherman's Grotto at the first platform on the pier.

After the pier was reconstructed in the early 1990s, the city received a Coastal Development Permit (CDP) and Conditional Use Permit (CUP) to construct Ruby's Diner, Tower Zero, Public Restroom building, and approval to construct two additional permanent buildings, a 620 square foot building and an 800 square foot building. Due to the amount of funding available, the city proceeded only with construction of Tower Zero and the public restrooms in 2000; however, the CDP for the two additional buildings is still valid.

Locations for the two permanent buildings approved under the CDP would be on the current sites of Let's Go Fishin' and Kite Connection. If only two recommended permanent structures are built at the two approved locations, they would not require an amendment to the current CDP. Staff is also recommending the city apply for a CDP for a third building, so that each of the current uses could have separate structures, although Kite Connection and Surf City Store operators have indicated that they could share a building, although they would rather it be on a short-term basis only.

Originally, the Ruby's Diner lease gave Ruby's the right to build and operate a bait and tackle shop/snack bar in addition to the restaurant on the pier. In 2002, the agreement was modified to eliminate this provision. This was done for a number of reasons, but one reason was that Ruby's did not feel a snack bar would be feasible as a separate concession on the pier: they have a walk-up window on the diner to serve the public, and Zack's Pier Plaza concession exists at the foot of the pier.

City Council may want to consider moving forward with the existing concessionaires, Kite Connection, Let's Go Fishin', and Surf City Store, to provide a continuity of established services for pier visitors, or may wish to use a Request for Proposal process to select the specific concessionaires. Council could choose to consider another type of business not currently represented on the pier. Each of the three existing concessionaires has submitted interest letters (Attachment 2). The pier concessions will, when permanent buildings are constructed and operational, have standard concessionaire contracts with terms similar to those of existing beach concessionaires.

Adding new concession buildings on the pier would not require a public vote, per section 612(c) of the City Charter (Measure C), since piers are exempt and it would be providing a service in a location used prior to January 1, 1989. (Attachment 3)

On March 14, 2007, the Community Services Commission voted to recommend to City Council approval of the recommended actions contained herein (Attachment 4). Additionally, the Community Services Commission recommends a public awareness or educational clause be added to pier concession leases to support cleanliness on the pier. The commission conducted a public input meeting following the city's public hearing process including sending notices to property owners within 1,000' of the pier (usual radius is 300'), and the City Clerk advertising in a local newspaper.

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Strategic Plan Goals: This project meets the following Strategic Plan Goals:

Infrastructure, I-1 Improve the city's plan for funding and completing infrastructure needs. and develop strategies for resolving crucial infrastructure problems to preserve the physical foundation of the community and enable the community's value to grow.

Create an environment that promotes Land Use and Economic Development, L-4 tourism to increase revenues to support community services and transform the city's economy into a destination economy.

Provide quality public services with the highest professional standards City Services, C-2 to meet community expectation and needs, assuring that the city is sufficiently staffed and equipped overall.

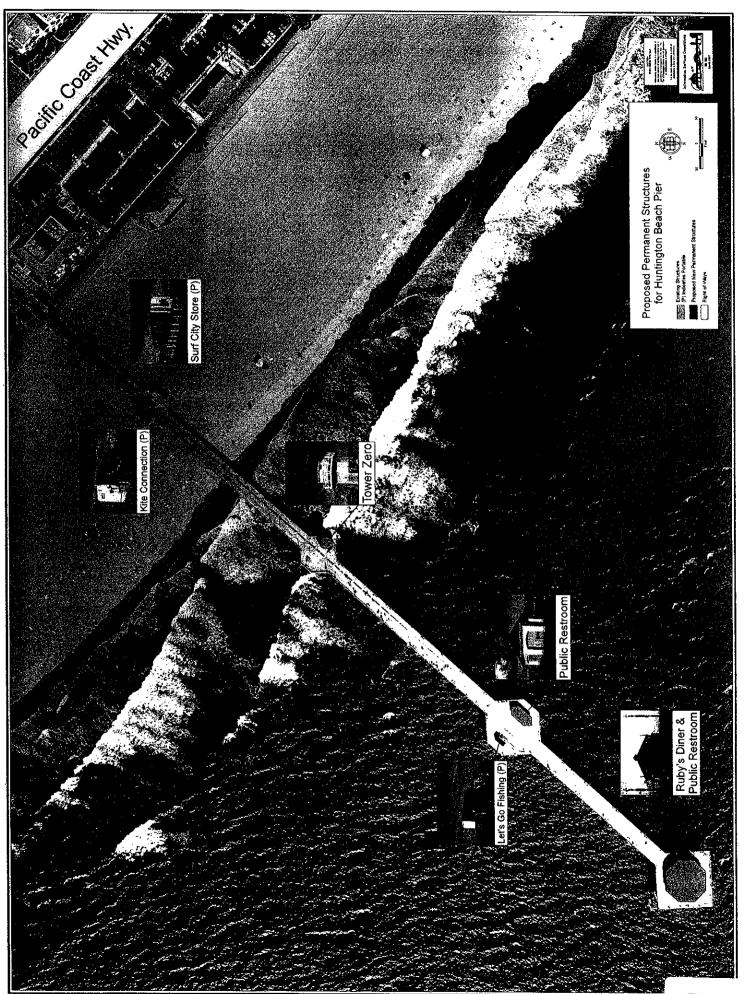
The construction of permanent buildings on the pier will complete the pier's infrastructure. They will provide visitor-serving amenities on the pier that promote tourism as well as service the residents of the community who utilize the pier for recreation and leisure purposes.

Environmental Status: The original entitlements for five (5) pier buildings, Conditional Use Permit No. 91-19 and Coastal Development Permit No. 91-9, were covered under Environmental Impact Report No. 89-8 adopted by the City Council on May 15, 1990. Any additional buildings on the pier will be subject to compliance with the California Environmental Quality Act.

Attachment(s):

City Clerk's Page Number	No.	Description		
5	1.	Site Map		
	2.	Existing Concessionaires' Interest Letters		
24	3.	City Charter Section 612 (Measure C)		
26	4.	March 14, 2007, Community Services Commission Recommendation		
30	5.	Power Point Presentation		
46	6.	Letter from Stephen Bone dated February 27, 2007		

ATTACHMENT #1



F2.6



March 6, 2007

Mr. Jim Engle Director, Community Services City of Huntington Beach 2000 Main Street Huntington Beach, CA 92648

SUBJECT: PIER BUILDINGS

Dear Mr. Engle,

In regards to your inquiry regarding sharing a pier building with the Kite Connection, the Surf City Store is in full agreement. We have had several discussions with Dave on this subject and believe we can develop a plan that will work to everyone's benefit. Of course, our first choice would be to operate from separate buildings. However, if it is necessary that we share a building either on a temporary or permanent basis we are confident that both businesses will profit.

Thank you,

Tina Viray Surf City Store

The Kite Connection P.O. Box 53 Huntington Beach, CA 92648 714-536-3630

February 27, 2007

Jim Engle, Director of Community Services City of Huntington Beach 2000 Main St. Huntington Beach, CA

Dear Mr. Engle,

This letter is to inform you of my desire to become a permanent tenant on the Huntington Beach Pier. I have been a resident of Huntington Beach for the past 32 of my 40 years, residing my first 8 years in Fountain Valley. I am a product of the Huntington Beach school system, and have owned and operated The Kite Connection and Kites For Kids in Huntington Beach since 1983. I have been located on the Pier since 1998, and from 1991 – 1998 I occupied a portion of the SUNNY'S building, located on the sand, just north of the pier. For the past 15 years, the Kite Connection and Kites For Kids have been very active in the community, sponsoring numerous kiting events, classes, etc. In addition, I have worked very closely with the Community Services Department, as well as performing hundreds of educational school assemblies throughout Huntington Beach and the State of California, educating more than 500,000 children about the magical world of kiting.

The Kites For Kids program has been named as a top assembly in the state numerous times. I have worked closely with many downtown businesses, including Duke's Restaurant and the Hyatt Resort & Spa.

Promoting tourism is a top city priority. For the past five years, The Kite Connection has sponsored the Huntington Beach KITE PARTY, which attracts visitors from around the world, and was named the best kiting event in the United States for 2005.

The following are some of the programs and activities with which I am involved:

- Organization and sponsorship of local public kiting events
- Teaching sport kite flying through the Community Services Department
- Providing kiting activities for families staying at the Hyatt Regency
- Fund raising programs for local schools and youth organizations

I have acted as an unofficial ambassador for the city, and wish to continue doing so. I understand that at this time, there are plans for two permanent buildings on the pier. If necessary, I am willing to share a building with the Surf City Store.

When appropriate, I will be happy to provide the city with a detailed business plan. Thank you for your consideration, and I look forward to a continuing long term relationship with the City of Huntington Beach, its businesses, and residents.

Sincerely,

Dave Shenkman
The Kite Connection & Kites For Kids

HUNTINGTON BEACH PIER BUILDING USE PROPOSAL



PRESENTED BY THE SURF CITY STORE TINA VIRAY NELSON WESCOTT

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- 7. CONCLUSION

1. STATEMENT OF PURPOSE

In May of 1993 the City of Huntington Beach trademarked "Surf City, Huntington Beach". In June of 1993 the City contracted with Nelson "Bud" Wescott to market clothing bearing the trademark. In 1994 the City contracted with Tina Viray to market novelties bearing the trademark. Later in 1995 Tina and Bud in partnership with the City of Huntington Beach opened the Surf City Store to provide locals and tourists trademarked products. The current contract continues through 2018.

This presentation will provide a history of the Surf City Store's relationship to the City's promotion and protection of its trademark. In addition, a brief history of the various locations of the Surf City Store will be given. Further, data indicating an above industry performance in the areas of sales per square foot and sales increase per year will be included. Examples of actions taken by Tina Viray and Nelson Wescott to promote and represent the City of Huntington Beach in the best possible light will be provided. We will also share insights into our aspirations for further success with the acquisition of a permanent building. The contents of this proposal will present a significant case for continuing operation of the Surf City Store on the Huntington Beach Pier.

2. HISTORY OF CITY TRADEMARK

After receiving the trademark for "Surf City, Huntington Beach" the City was informed that they must use the trademark or lose control of it. To that end the partnership with Tina Viray and Nelson Wescott, a.k.a. Surf City Store has been a great success. We developed a logo that was immediately embraced by locals and visitors alike. In fact one would be hard pressed to

drive two blocks in this area without seeing the logo either on a car, someone's hat, or on a shirt. To date, well over a half million logos have been sold to customers worldwide.

Also, over the past fourteen years several City departments have adopted the logo for use on their uniforms as well as business cards and letterhead. These actions have further protected the trademark and contributed to the branding of "Surf City, Huntington Beach".

Further, with the permission of the City and the Surf City Store the logo is prominently displayed on the giant electronic billboard at 405 freeway and Beach Boulevard. The billboard invites motorists to shop the Huntington Beach Boulevard of Cars. Meadowlark Golf Course proudly displays the Surf City, Huntington Beach logo at each tee box. These and other uses by local businesses reflect their civic pride and support of the City logo.

In addition to using the trademark the City had the task of enforcing the trademark. With the popularity of the logo came trademark infringement. In the past decade we have been the sole source of assistance to the City in enforcing their rights to "Surf City, Huntington Beach". We did this by diligently reporting offenders to the City Attorney for appropriate action. In all cases the offenders suspended their infringement upon the trademark.

The result of our actions in creating and marketing a successful logo and protecting the trademark against infringement has ensured that the City retains the sole rights to "Surf City, Huntington Beach".

3. HISTORY OF SURF CITY STORE LOCATIONS

The original Surf City Store was to have been located on the pier in the current location of the Kite Connection. However, at

the last minute a difficulty arose and the store was opened on Hamilton Street across from Edison High School. This was by no means an optimal location and the store soon moved to Fifth Street in the downtown area. Although there was very little foot traffic on Fifth Street the store developed a loyal following of locals and was able to survive, making a small profit.

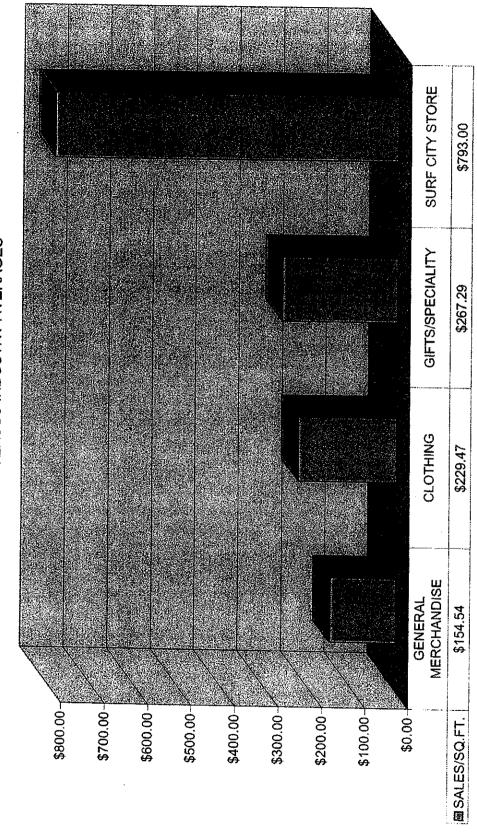
After a few years the City was able to place the Surf City Store on the pier across from the current location of Let's Go Fishing, in a 300-sq. ft. modular unit. Shortly thereafter, the store was moved closer to the opening of the pier where both locals and tourists found the location more accessible. While looking forward to moving into a permanent building, the Surf City Store has continued to operate out of a modular unit and has thrived.

4. SALES PERFORMANCE VERSUS RETAIL INDUSTRY STANDARDS

In addition to being civic-minded and dedicated to being a positive force for the City, the Surf City Store has achieved distinction in the area of sales. The following Tables will indicate two things. First, given the size of our operations (300 sq.ft.) we have consistently ranked at the top of retail industry standards for sales per sq.ft. Our performance ranks among such notable companies as Williams-Sonoma, Pier 1 Imports, and Linens N Things to name a few. Tables 1 and 2 detail our performance relative to industry averages and specific retailers.

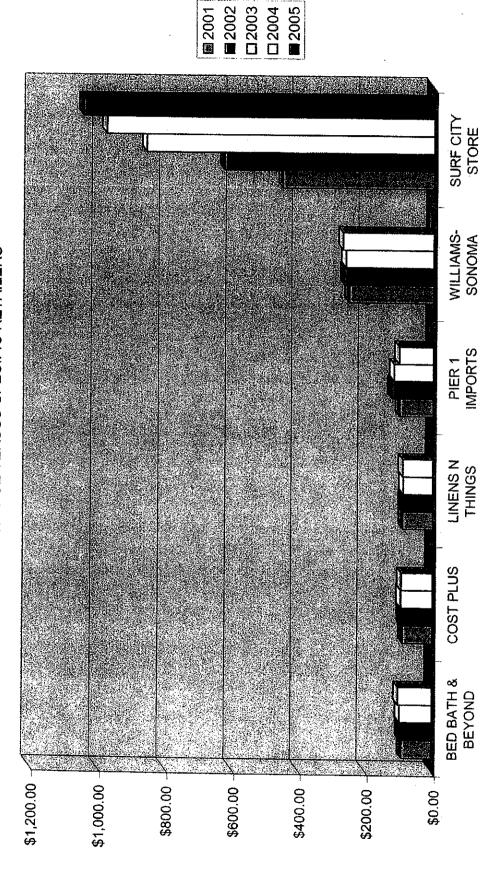
Second, Table 3 illustrates a performance consistently above industry standards in <u>sales growth per year</u>. This has been accomplished through a continual review of operating processes with subsequent expansions of the product line, creation of new graphic designs, and improvements in product displays. Combined, these statistics indicate an ability to fully utilize the space available and grow the business.

SALES PER SQUARE FOOT PERFORMANCE VERSUS INDUSTRY AVERAGES



SOURCE: NEWSPAPER ASSOCIATION OF AMERICA 2007

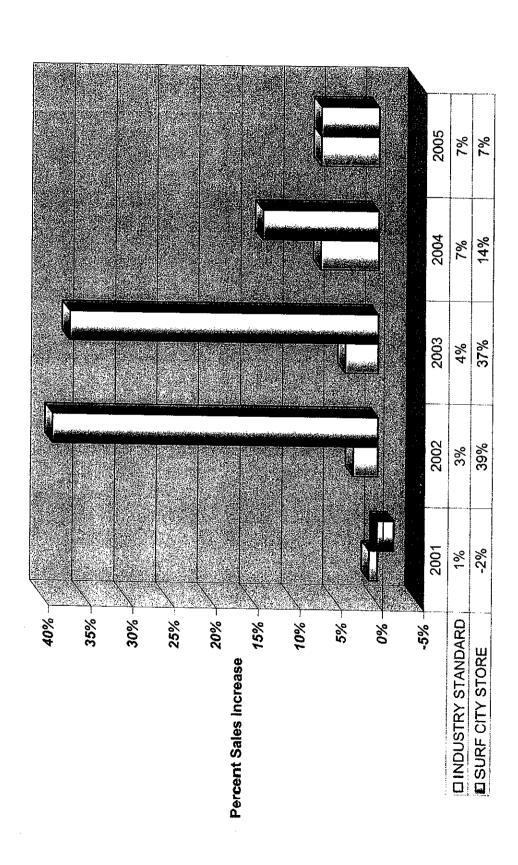
SALES PER SQUARE FOOT PERFORMANCE VERSUS SPECIFIC RETAILERS



2005 FIGURES NOT AVAILABLE WITH THE EXCEPTION OF THE SURF CITY STORE. COMPANY REPORTS AND SG COWEN Source: Note:

F2.17

SALES INCREASE OVER PRIOR YEAR



F2.18

2001 figure adjusted for 3 months closure

US Census Surf City Store 1040 Tax Returns

Source:

Note:

5. CONTRIBUTIONS TO THE CITY, LOCALS, AND TOURISTS

The Surf City Store makes every effort to provide low cost or donated products to numerous organizations as part of the public/private partnership. We provide "Surf City, Huntington Beach" promotional items for Economic Development events, and other City functions. Twice a year we conduct a sale at City Hall to provide deeply discounted logo products. We donate to many school fund raisers, senior activities, and have even outfitted a couple of local teams who advanced to national competition. We actively work with the Sister City Program to ensure affordable gifts when traveling to other countries as well as to those they host here in Huntington Beach.

The Surf City Store prides itself on personalized service to locals and tourists. Such service has included; stocking sundry beach items often left behind by tourists, delivering products to locals unable to come to the store, completing special orders for handicapped customers, and sending special care packages to HB military personnel serving overseas. We've even gone as far as driving a stranded tourist to a gas station to fill their gas can.

Tourists receive answers to questions about the history of the City, help in locating local landmarks, recommendations on restaurants, and of course assistance in selecting the perfect souvenir for their budget.

One of the most gratifying parts of owning the store has been developing a relationship with the many repeat customers from Huntington Beach and the rest of the world who return year in and year out to purchase the unique products only found at the Surf City Store.

Also, while several of the pier concessionaires close during the winter or in bad weather, unless the pier is closed we are open for business. The only exceptions are Thanksgiving and Christmas day. We know that this is greatly appreciated by tourists, because they tell us so. The sales on these days may not be great, but the service we provide is priceless to their vacation experience.

6. ASPIRATIONS FOR THE FUTURE

Over the past fourteen years we have demonstrated a strong and unwavering commit e t to the partnership with the City of Huntington Beach. This commitment has been demonstrated through perseverance during the beginning years and the challenges of starting a new business. Once profitable, the store has consistently given a percentage of profits to the City. While in its current location on the pier, the Surf City Store was destroyed twice during winter storms. We rebuilt the store at our expense and managed to maintain a loyal customer following even while closed for repairs. While advised by the City to put off major improvements to the modular unit housing the Surf City Store, the store has been maintained in an orderly manner making it as attractive as possible.

We continually attend trade shows, follow marketing trends, and know that this, in conjunction with a permanent building will further enhance our service to the City. With a permanent building we see a future with a City Store that everyone can be proud of. We see a City Store with exciting, state of the industry displays. We see an expanded product line offering even greater service to our customers. A permanent building with increased square footage will result in even greater success than has been achieved to date.

7. CONCLUSION

The Surf City Store has a strong history with the City of Huntington Beach. Over the years, the popularity of the trademark has strengthened along with sales. In an era of franchises and chain stores, the foresight of the City in partnering to create the Surf City Store has resulted in something truly original. The Surf City Store provides an opportunity for locals and tourists alike to take home a unique city souvenir, something that won't be found in every store they visit.

Part of the mandate for the pier buildings is that they provide services to tourists. To that end there are five food and beverage service operations within yards of the pier. There are bike, surfboard, and boogie board rentals within the same area. These operations, along with the Surf City Store provide those required services. Placement of the Surf City Store in a permanent structure builds upon the past success of the store and retains the place where locals and tourists return to purchase City trademarked products.

We've presented our history with the city, our sales performance relative to industry standards, given examples of our intrinsic value to the city, and stated our vision of the future. We sincerely hope that this committee will go forward with a recommendation that the Surf City Store remain in its logical location, on the city Pier.

From: Clifford Johnson

Sent: Thursday, February 15, 2007 11:36 PM

To: Engle, Jim

Subject: Huntington Beach Pier Building Uses

City of Huntington Beach 2000 Main Street Huntington Beach, Ca 92648

Attn: Mr. Jim Engle, Community Service Director

February 12, 2007

Subject: Huntington Beach Pier Building Uses

Reference: Mr. Jim Engle's letter to Pier Concessionaires dated 12/20/07 (sic.)

Dear Jim.

As per your letter and our last phone conversation please pass this letter on to your Community Services Commission.

Letter to H.B. Community Services Commission:

Ladies and Gentlemen:

My wife Marian and I have had the pleasure of owning and operating our "Let's Go Fishing" bait and tackle shop on the Huntington Beach pier since 1994. We have enjoyed and appreciated the opportunity to make our products and services available to the visitors and local users of the H.B. pier. It has been hard work, long hours but very rewarding because we have been able to meet and befriend so many people. Speaking from my heart my wife and I have loved working on the pier and being able to teach both adults and kids how to catch fish. And, we have greatly enjoyed co-sponsoring the famous "Huck Finn Fishing Derby" with the city for the past 13 years.

I still spend some time with my wife at our pier shop, however due to my service connected medical conditions I can no longer work full time. My wife and grandson have been running our bait and tackle shop on a daily basis for the past few years. This is how we pay our bills and keep a roof over our heads. We would like to have the opportunity to remain on the H.B. pier long after the new pier buildings are completed.

In closing for what it is worth I want all of you to know that during the many years that Mr. Ron Hagan was the director of Community Services he told my wife and I that the people loved us on the pier and that we were the ambassadors of goodwill on the pier for the City of Huntington Beach. He also told us several times over the years that we would have our "Let's Go Fishing" shop on the pier as long as we wanted it. He also told us

that we would have first right of refusal on the new 700 square foot bait shop when it was completed. He told us that the city would be contacting us before construction to get our input on how we wanted the inside of the new bait and tackle shop to be laid out.

I want all of you to know that my wife and I relied on Mr. Hagan's above statements in our decision to remain on the H.B. pier over the past 13 years while waiting for the new building to be built. We have waited a long time for our dream of "Let's Go Fishing" to have a permanent building on the H.B. pier.

I am a combat wounded 100% disabled ex-marine sergeant. My wife and I are not asking for any handouts or special treatment and or favors, we just want the City of Huntington Beach to honor what Mr. Ron Hagan told us.

My wife and I look forward to your kind consideration regarding our request to keep our business on the H.B. pier and we would be pleased to discuss this matter with any of you at any time.

Thank you and best regards.

Cliff and Marian Johnson Shop (714) 960-1392 Home (626)442-8737

ATTACHMENT #3

It shall be competent for the City to make contracts and covenants for the benefit of the holders of any such bonds payable only from revenues and which shall not constitute a general obligation of the City for the establishment of a fund or funds, for the maintaining of adequate rates or charges, for restrictions upon further indebtedness payable out of the same fund or revenues, for restrictions upon transfer out of such fund, and other appropriate covenants. Money placed in any such special fund for the payment of principal and/or interest on any issue of such bonds or to assure the application thereof to a specific purpose shall not be expended for any other purpose whatever except for the purpose for which such special funds were established and shall be deemed segregated from all other funds of the City and reserved exclusively for the purpose for which such special fund was established until the purpose of its establishment shall have been fully accomplished.

Section 612. PUBLIC UTILITIES AND PARKS AND BEACHES.

- (a) No public utility or park or beach or portion thereof now or hereafter owned or operated by the City shall be sold, leased, exchanged or otherwise transferred or disposed of unless authorized by the affirmative votes of at least a majority of the total membership of the City Council and by the affirmative vote of at least a majority of the electors voting on such proposition at a general or special election at which such proposition is submitted.
- (b) No golf course, driving range, road, building over three thousand square feet in floor area nor structure costing more than \$100,000.00 may be built on or in any park or beach or portion thereof now or hereafter owned or operated by the City unless authorized by the affirmative votes of at least a majority of the total membership of the City Council and by the affirmative vote of at least a majority of the electors voting on such proposition at a general or special election at which such proposition is submitted.
- (c) Section 612(a) and 612(b) shall not apply;
- √ (1) to libraries or piers;
 - (2) to any lease, franchise, concession agreement or other contract where;
 - the contract is to perform an act or provide a service in a public park or beach AND
 - such act was being performed or service provided at the same location prior to January 1, 1989 AND
 - the proposed lease, franchise, concession agreement or other contract would not increase the amount of parkland or beach dedicated to or used by the party performing such act or providing such service.
- (d) If any section, subsection, part, subpart, paragraph, clause or phrase of this amendment, or any amendment or revision of this amendment, is for any reason held to be invalid or unconstitutional, the remaining sections, subsections, parts, subparts, paragraphs, clauses or phrases shall not be affected but shall remain in full force and effect. (12/7/90)

Section 613. EXECUTION OF CONTRACTS. Except as hereinafter provided, the City shall be bound by a contract only if it is made in writing, approved by the City Council and signed on behalf of the City by the Mayor and City Clerk or by a City officer designated by the City Council and only upon the direction of the City Council. Exceptions to this procedure are as follows:

(a) By ordinance or resolution the City Council may authorize the City Administrator or other officer to bind the City, with or without a written contract, for the acquisition of equipment, materials, supplies, labor, services or other items included within the budget approved by the City Council, and may impose a monetary limit upon such authority.

ATTACHMENT #4

Public Input Hearing Notice was published in the Independent, a newspaper of general circulation. Notices were mailed to addresses within 1,000 feet of the proposed location (in excess of the 300 foot requirement).

COMMUNITY SERVICES COMMISSION

EXCERPT FROM MINUTES

OF THE MARCH 14, 2007, MEETING

PUBLIC INPUT HEARING -

Permanent Buildings on the Municipal Pier - Dominguez presented a PowerPoint presentation on the permanent buildings on the Municipal Pier. He provided a brief history of the pier including the types of buildings, building usage, building permit status, available funding, and staff recommendations. He also presented the process required to place two additional permanent buildings on the pier at areas currently occupied by the Kite Connection, and Let's Go Fishin' portable buildings. He explained that the Coastal Development Permits (CDP) allows construction of five (5) buildings on the pier. He noted that due to funding limitations, only three of the buildings have been constructed as Phase I: Tower Zero, Public Restrooms, and Ruby's Diner. He mentioned that funding is available to complete two additional concession buildings for Phase II. He noted that three concessionaires have operated out of temporary trailers on the pier for the past decade; Let's Go Fishin', the Kite Connection, and The Surf City Store. He said the concessionaires provided and maintain the modular facilities at their own expense and the city receives a monthly fee from each of the businesses. He mentioned that the city shares a trademark partnering agreement with The Surf City Store as part of the city's "Surf City, Huntington Beach" name recognition effort.

Dominguez noted that under the current CDP only two permanent structures are included and that a new CDP would be required to build a third building. Engle added that interest letters from the three concessionaires had been included in the meeting packet. He noted The Surf City Store and Kite Connection have agreed to operate out of a single permanent building on a temporary or permanent basis. He also noted that the city had received a letter from Stephen Bone, President of The Robert Mayer Corp, in support of the Kite Connection.

Dominguez concluded the presentation with the recommended action to construct two permanent visitor-serving buildings on the Municipal Pier in accordance with the existing CDP; proceed with a request for CDP for a third building; and, recommend three types of concessions from the following; a) bait and tackle shop, (b) souvenir store (Surf City Store), (c) kite store.

The commission questioned the need for a "bait and tackle concession" due to the problem of fishers cutting bait on benches and the pier deck. After discussion, it was felt the concessionaire could be part of the solution to this issue by educating the public on not cutting bait on the pier or benches.

Public Comments -

Dave Shenkman, owner of the Kite Connection confirmed his desire to remain on the pier as a permanent tenant. He discussed his family's long history with the City of Huntington Beach, and his long time residency. He said he has been the owner/operator of the Kite Connection since 1993, and conducts Kites for Kids Program with the Huntington Beach school system. He said he was originally part of Sunny's Concession on the beach and was relocated to the pier when Pier Plaza was constructed. He mentioned that the Kite Connection sponsors the "Huntington Beach Kite Party" which was named the best kiting event in the United States for the past three years in a row. He also discussed the expanding business relationships with surrounding amenities including an agreement with the Hyatt Regency for their summer program and discussions with the Hilton to participate in their summer program. His final comments included praise as a business operator, for the great relationship he shares with the city, and enjoyment he has as a pier resident, unofficial ambassador, and tourist information guide. He confirmed he would be in favor of working out a sharing agreement with The Surf City Store owners.

<u>Cliff Johnson</u>, owner of Let's Go Fishin' for the past 13 years, confirmed his desire to remain on the pier as a permanent tenant. He commented that his wife and he enjoy participating in the annual "Huck Finn Fishing Derby" co-sponsored event with the city. He stated he was told from the start that the city would build a permanent building on the pier for him, and that he had worked hard toward that opportunity and wants something to pass on to his wife and grandchildren. He commented he and his wife enjoyed being unofficial ambassadors as pier residents. He also indicated that he and his wife try to help keep fisherman from cutting bait on the pier benches and that cardboard to cut bait on, is given out with the bait they sell.

<u>Tina Viray & Bud Wescott</u>, owners of The Surf City Store for the past 15 years, confirmed their desire to remain on the pier as a permanent tenant. Viray noted The Surf City Store has been partnered with the city since 1993, operating in a 300 SF trailer on the pier since 1998. She mentioned that since partnering with the city, The Surf City Store has sold a half million pieces of merchandise worldwide, successfully marketing the "Surf City" trademark. She also noted that the business participates in supporting the city and local organizations with donations of product. She said they look forward to the opportunity to continue the successful relationship.

Bloom thanked everyone for their comments and expressed appreciation to the concessionaires for their efforts to help police the pier, their contribution to the community and support as unofficial ambassadors.

The commission discussed various uses for the concession buildings. There was discussion that Ruby's Diner originally had the right to the bait/tackle and food/snack bar concession, but decided to eliminate that from the concession lease with Council approval. Engle noted there are several potential reasons including: they have an existing walk-up service window at the diner, Zack's Pier

Plaza is at the foot of the pier, and the small size of the Coastal Commission approved building (640 sf) would make it difficult to function.

Commissioners and staff discussed the concessionaires' leases. Engle stated that the concessionaire's currently operate on a month-to-month special permit paying a flat fee, and pay for their own modular buildings, including installation costs and permits. Staff indicated that once permanent buildings are constructed, selected concessionaires would enter into a standard city lease similar to the other beach concessions. Staff indicated that a formal license agreement exists with The Surf City Store relative to the trademark partnership.

Jones commented that she has attended the "Kite Party", and that it was a fabulous opportunity and a great program. She said Dave Shenkman had 200 kites participate in a fundraiser for children with cancer, and expressed her appreciation.

Engle thanked all three concessionaires for their support as "unofficial ambassadors", and Bloom officially closed the public comments portion of the meeting.

MOTION:

Moved by Myers, seconded by Rechsteiner, to:

- Recommend to City Council to construct two permanent visitorserving buildings on the Municipal Pier in accordance with the existing Coastal Development Permit.
- 2) Recommend to City Council to proceed with a request for Coastal Development Permit (CDP) for a third building; and
- 3) Recommend to City Council three types of concessions from the following:
 - a. bait and tackle shop
 - b. souvenir store (Surf City Store)
 - c. kite store
- 4) Recommend to City Council to add a public awareness or educational clause to the concession leases to support cleanliness on the pier.

AYES:

Bloom, Hubbard, Jones, Kreitz, Moss, Myers, Rechsteiner,

Roberts, Smith

ABSENT: Steel, Thomas

Motion Passed.

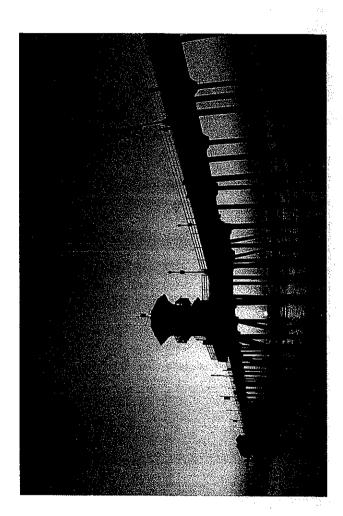
ATTACHMENT #5

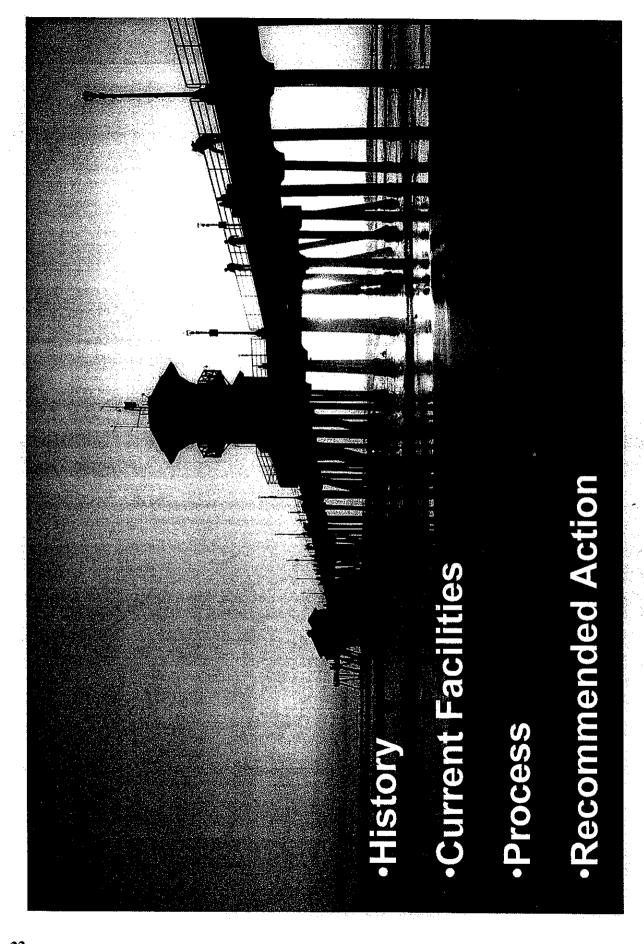
CITY OF HUNTINGTON BEACH

CITY COUNCIL MEETING

MAY 7, 2007

PERMANENT BUILDINGS ON THE MUNICIPAL PIER





903	1,000 ft timber structure (pier) at the end of Main Street constructed (six years before the city's incorporation - Pacific City)
904	Red Line begins bringing visitors in 1904 (Pacific Electric)
912	Storm washes out midsection of pier, leaving enc protruding from the ocean several feet from the shoreline
912	Voters approved \$70,000 reconstruction bond
914	First solid concrete pier in nation constructed – 1,350 ft

Downtown business district developed - Pier took on recreational atmosphere 1915

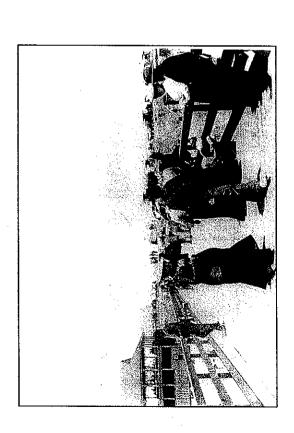
Pacific Coast Highway constructed, making HB more accessible to visitors

520 ft addition to pier hosts café at end - 1,816 ft 1930

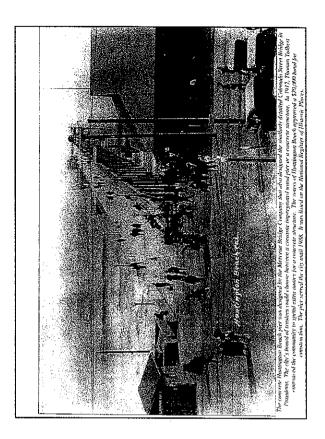
300 ft of pier extension wrecked by storm - Restaurant at end lost for first time

Damaged pier replaced with wood structure - End of pier reconstructed and reopened

Forty years pass before additional pier damage

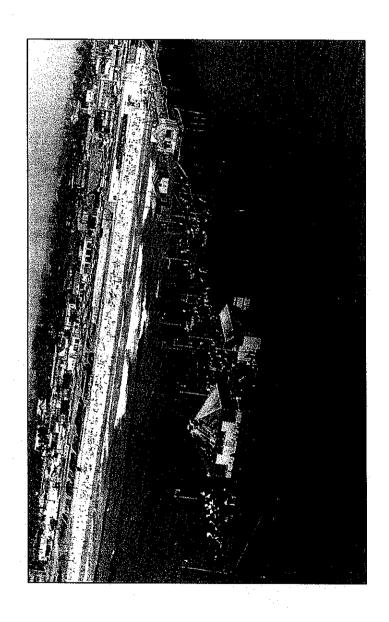


Original Wooden Pier Built 1903 – 1,000 ft

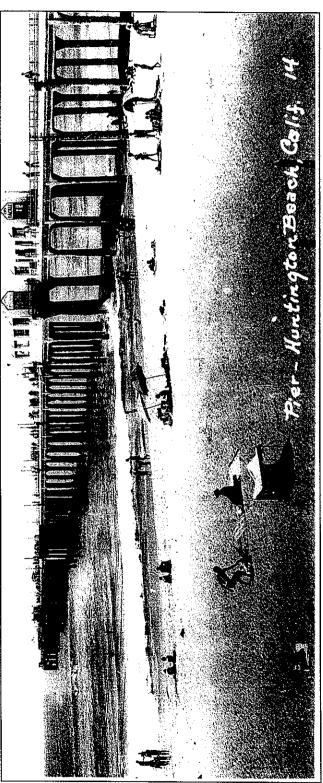


Concrete Pier Built 1914 – 1,350 ft

1983	End Café and Bait & Tackle Shop destroyed by storm
1985	Rehabilitated Pier reopens with new two-story Enc Café
1988	250 ft of pier with End Café destroyed by storm
1988	July 12 - Pier closes
1990	Construction of new pier begins
1992	Construction of new pier completed
1996	Ruby's Diner opened
1999	Temporary structures placed
2002	Tower Zero and Public Restroom buildings opene



NATION'S FIRST SOLID CONCRETE PIER Built 1914 – Replaced 1985

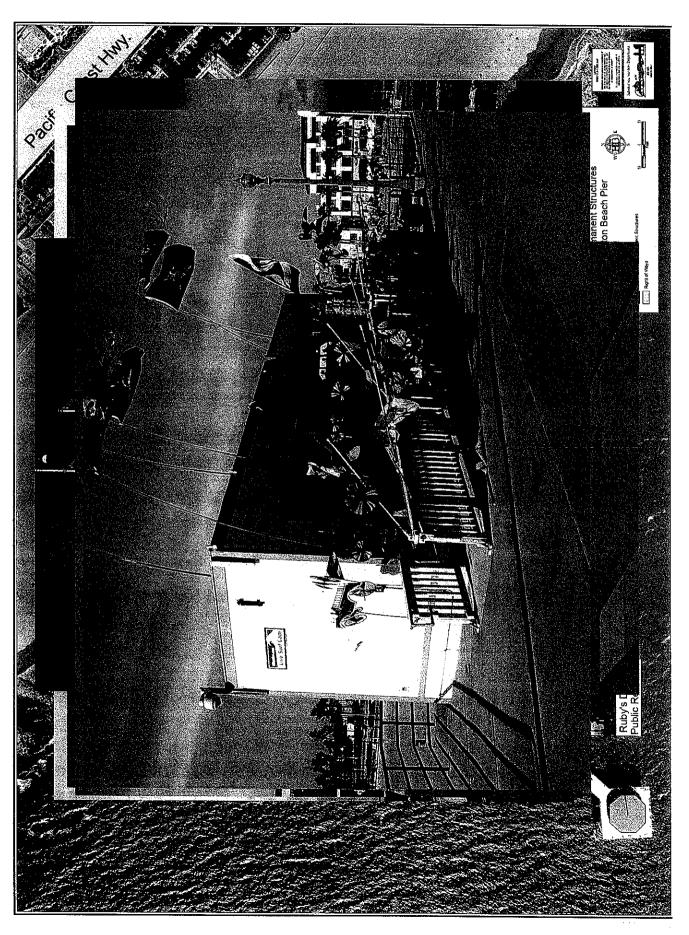


Huntington Beach Pier c. 1940

Building Uses

Lifeguard Station
Public Restrooms
Fishing & Tackle /Bait Shop
Sport Fishing Ticket Office
Storage Room

Wave Gauge / Hoist Room Recreation Room Snack Bar/ Restaurant Surf City Store Kite Connection



CURRENT PIER CONCESSIONS

- Surf City Store Partnership with City, placed on pier to maintain/promote trademark logo
- Kite Connection Relocated from Sunny's on the Beach as part of Pier Plaza project
- Let's Go Fishin' Traditional bait and tackle service provided on municipal piers

Current concessions on month-to-month lease

Temporary buildings - Purchased/leased and placed on pier by concessionaire

Permanent buildings - Will require standard beach concession lease

PROCESS

Funding Source: Redevelopment Agency

- FY 06/07 \$ 70,000 Entitlements/Design
- FY 07/08 \$630,000 Construction

Entitlements:

- CDP #5-93-294 still active
- CUP Process
- Charter Sec. 612 (Measure C) Piers and Libraries Exempt

Other Approvals:

- Community Services Commission March 14, 2007
- · City Council

COASTAL DEVELOPMENT PERMIT

PERMIT NO. 5-93-294 PERMANENT BUILDINGS:

Phase 1 – Complete 2002

6,510 SF Restaurant – Ruby's Diner

900 SF Lifeguard Station - Tower Zero

800 SF Public Restroom

Phase 2 – Permanent Single Story Buildings

620 SF Building

800 SF Building

Third Building – Requires New CDP

COMMUNITY SERVICES COMMISSION

RECOMMENDATIONS

Recommend to City Council to construct two permanent accordance with the existing Coastal Development visitor-serving buildings on the Municipal Pier in

Recommend to City Council to proceed with a request for Coastal Development Permit (CDP) for a third building

Recommend to City Council three types of concessions from the following:

a. bait and tackle shop

b. souvenir store

c. kite store;

Recommend to City Council to add a public awareness or educational clause to the concession leases to support cleanliness on the pier.

Advertised Public Input Meeting Held March 14

CITY COUNCIL RECOMMENDED ACTION

1. Approve construction of two permanent visitor-serving in accordance with the existing Coastal Development buildings on the Municipal Pier, Permit;

2. Proceed with request for Coastal Development Permit for a third building; 3. Recommend types of concessions from the following:

a. bait and tackle shop

b. souvenir store

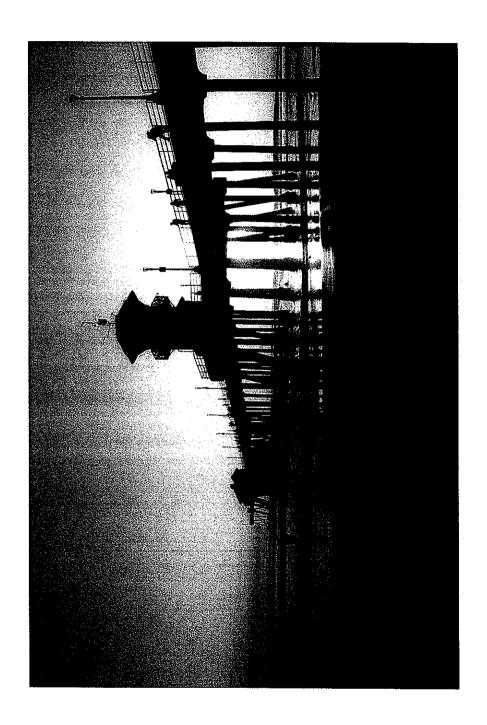
c. kite store;

4. Approve souvenir store and kite store share space in one building until a third building is constructed.

CITY OF HUNTINGTON BEACH

CITY COUNCIL MEETING

MAY 7, 2007



ATTACHMENT #6



February 27, 2007

Mr. Jim Engle Director of Community Services City of Huntington Beach 2000 Main St. Huntington Beach, CA

Re: The Kite Connection on the Pier

Dear Mr. Engle,

On behalf of The Robert Mayer Corporation, the Hyatt Regency Huntington Beach Resort and Spa and the Hilton Waterfront Beach Resort, I would like to take this opportunity to request that the City allow The Kite Connection to be selected as one of the businesses to remain on the Huntington Beach Pier.

Promoting tourism is a top City priority. For the past five years, The Kite Connection has sponsored the Huntington Beach KITE PARTY, which attracts visitors from around the world, and was named the best kiting event in the United States for 2005.

The Kites For Kids program has been named as a top assembly in the state numerous times. The Kite Connection has worked closely with many downtown businesses, including Duke's Restaurant and the Hyatt Resort & Spa and has worked very closely with the Community Services department, as well as performing hundreds of educational school assemblies throughout Huntington Beach and the State of California, educating more than 500,000 children about the magical world of kiting.

The Kite Connection is truly an unofficial ambassador for the City of Huntington Beach and we would highly recommend that the City allow The Kite Connection to continue providing activities from its location on the pier for the many families that come to vacation and visit in our wonderful City.

Sincerely,

Stephen K. Bone

President